

Summary of Statement of David A. DeLorenzo, President and CEO, Dole Food Company, Inc.

House Subcommittee on Oversight and Investigations

February 26, 2008

Two e.coli recall events touched our Vegetables Division during the last two years:

1. September 2006 industry-wide halt of all spinach sales, after Natural Selection Foods LLC recalled packaged fresh spinach it had produced and packaged. These packages were sold under 28 different brand names, one of which belonged to Dole. Dole has no ownership or other economic interest in Natural Selection Foods. The source of the problem appeared to be in a spinach farm field, owned by a reputable grower, that was being farmed organically.

2. September 2007 recall of some of our salad product in Canada. Canadian Health Ministry told us that a bag of our salad randomly picked from a store shelf in Canada had tested positive for e.coli. None of the other Canadian bags, nor any other bags of the same production batch, nor any of the bags turned in by consumers, tested positive for e.coli. Our processing plant and the relevant farms were inspected by Canadian, US Federal and State regulators – no problems were found. More significantly, no illnesses were reported that were associated with this product in Canada or the United States.

Responses to the 2006 spinach issue: The California Leafy Greens Marketing Agreement, covering 99% of California leafy greens handlers, was implemented. The backbone of this Agreement is mandatory testing and audits by California state inspectors using such food safety metrics as: irrigation water tests, employee hygiene, harvesting equipment sanitation, buffer zones, soil amendments, wildlife intrusion, and previous land use. Our Vegetables' division President sits on the governing boards of both the California and the proposed Arizona programs.

We view these industry programs as only a starting point. Dole supports national regulatory food safety standards for all fresh produce items.

Dole has made significant investments in developing and applying RFiD technology to leafy greens; we have made this program available to the all companies in the industry, without any payment whatsoever to Dole. RFiD tracking allows trace-back to within approximately 100 feet of where the produce was harvested. The inability to quickly trace back to a specific field location has been a major impediment to regulatory investigators, until now.

We have implemented testing for pathogens in the field prior to harvest; we also test produce as it enters our processing plants and as it leaves as finished product. We have completed approximately 4,000 of these tests for pathogens. Thus far we have not had any positive test results for pathogens.

We need government support for more research activities in understanding how these pathogens survive and migrate in the natural environment, as well as in developing microbial kill steps that will work on perishable produce. The amount of research needed is significant in both time and dollars. We believe that the federal agency best suited to oversee this research effort is the USDA. We also encourage more funding for state-of-the-art laboratories that can provide quick turn around of tests with exactitude of findings.



Food Company, Inc.

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**STATEMENT OF DAVID A. DELORENZO
PRESIDENT AND CHIEF EXECUTIVE OFFICER
DOLE FOOD COMPANY, INC.**

**HOUSE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
HON. BART STUPAK, CHAIRMAN**

FEBRUARY 26, 2008

Introduction

Mr. Chairman and Members of the Subcommittee, my name is David DeLorenzo and I became the CEO of Dole Food Company, Inc. last June, having worked for Dole for the last 37 years. Thank you for allowing Dole the opportunity to be a part of the ongoing discussions on food safety.

Our mission at Dole is to provide healthy, nutritious products to consumers. Food safety, and consumer confidence in the safety of the food chain, is not only vital to the mere existence of our firm, but, we believe, to the health of the Nation. We are pleased to participate in this hearing and in any other forums that might work toward ensuring the safety of the food chain and with it the improved dietary habits of our constituents.

We take great pride in our people, the quality of our products and our commitment to Corporate Social Responsibility, including food safety, the environment, and the welfare of our workers. We also believe in transparency, and welcome any audits and scrutiny of our own operations and that of the industries in which we operate, to ensure that we and others in the industry are doing everything possible to deliver healthy, safe products to the consuming public. Toward that end, we would certainly

welcome and encourage any Member of this Subcommittee and its staff to please come and visit any of our operations, to see our farms, refrigerated supply chain and manufacturing plants. Our salad manufacturing plants are in California, Arizona, Ohio and North Carolina, but we source from most of the fruit and vegetable growing areas in the United States, including California, Arizona, Oregon, Washington, Michigan, Texas, Colorado and Florida, to mention a few. Being this diverse requires us to establish strict and important relationships with farmers across a wide spectrum of crops who join us in adhering to good agricultural practices and strict protocols.

We have been around as a company for more than 150 years, and we always are willing to exchange views and share our experience. The work this Subcommittee is doing is vital to our Nation, and to our industry, and we want to help in any way we can.

Dole Fresh Vegetables is one of our divisions in North America; it is headquartered in Monterey, California. This is our division that has been affected by two e.coli recalls in the last two years. As I will discuss in a minute, in the first of these recalls, our name was on the product but it was produced and packaged for us by an unrelated, but highly-regarded company that has an excellent name in the production of spinach and tender leaf salads and in organic salads. In the more recent and much smaller recall, originating in Canada, one bag of our salad, pulled at random from a store shelf in Canada, tested positive, but no other bags tested positive in Canada or the U.S., our farms and processing plant were found to be totally clear and no one was reported sick or injured. Because these two recalls involved leafy greens, I will focus on our Vegetables business. Our Vegetables business is a provider of leafy greens, as well as other commodity vegetables to retailers and wholesalers in North America. The main products on a tonnage basis that make up the leafy greens category are spring mix, spinach, romaine lettuce, iceberg lettuce and cabbage. Our Vegetables business supplies these items both in a commodity form and in a prepackaged form.

Our Vegetables business on average ships over 5,000,000 servings each and every day of nutritious products in a prepackaged form. This number of servings almost doubles when you add in our commodity produce.

When it comes to food safety, one illness is one too many. All of us at our company and in this industry have families that consume these products, and we understand first hand our responsibility to deliver products that are as safe and nutritious as possible.

Two Recalls

The Subcommittee staff requested that I address the two vegetable e.coli recall events that touched our Company during the last two years. First was the industrywide halt of all spinach sales that occurred in September of 2006. On September 15, 2006, Natural Selection Foods LLC recalled all packaged fresh spinach that Natural Selection Foods produced and packaged with Best-If-Used-By dates from August 17 through October 1, 2006, because of reports of illness due to *E. coli* O157:H7 following consumption of packaged fresh spinach produced by Natural Selection Foods. These packages were sold under 28 different brand names, only one of which was owned by Dole. At that time, Natural Selection Foods was our sole supplier of spinach items, under a contract we had with them. On September 15, 2006, Dole announced that it supported the voluntary recall issued by Natural Selection Foods. Dole has no ownership or other economic interest in Natural Selection Foods. The U.S. Food and Drug Administration announced on September 29, 2006 that all spinach implicated in the outbreak had been traced back to Natural Selection Foods. The FDA stated that this determination was based on epidemiological and laboratory evidence obtained by multiple states and coordinated by the Centers for Disease Control and Prevention.

From what the federal and California state regulators reported after the incident, it appears that there was no problem at Natural Selection Foods' processing plant; instead the source of

the problem was in one spinach farm field, owned by a reputable grower, that was being farmed organically. I understand that the Subcommittee received the testimony given last April by Charles Sweat, who is the President of Natural Selection Foods, so I will assume the Subcommittee needs no further detail on the Natural Selection recall from September 2006. At that time, we did not internally farm or package spinach. We did not have the necessary specialized machinery to produce spinach salad products and therefore had contracted with Natural Selection Foods to produce and package these products for us. Since that time, we have invested in the machinery to package spinach and other tender leaf products ourselves.

The spinach recall galvanized an industry that already approached food safety as a top priority into becoming an industry with a heightened sense of urgency of the need to understand what steps we need to take to reduce this risk even further in the future. Some of this effort has involved strengthened good agricultural practices and some has involved more testing of produce in the field, at the processing plant door and of finished product. We recognize that we are an industry that still needs to do more, and we strongly believe that government has an important role to play, particularly in supporting needed scientific research on the causes of outbreaks and in developing nationwide food safety regulation, which I will discuss further in a moment.

The other incident I wanted to talk about involved a recall of some of our salad product in Canada in September of 2007. On September 14, 2007, the Canadian Health Ministry told us that they had randomly pulled a number of bags of our salad from a store shelf in Canada, and that one had tested positive for e.coli. We immediately announced a recall of the affected lot code. We expanded the Canadian recall to parts of the United States since some of the same raw materials were used in product sold in those parts of the U.S. and Canada. None of the other Canadian bags, nor any other bags of the same production batch that we still had, nor any of the bags turned in by consumers, tested positive for e.coli or any other pathogen. Our processing plant and the farms on which the produce was grown

were carefully inspected by regulators – and there was nothing there, either. More significantly, there were no illnesses reported that were associated with the product in Canada or the United States.

Moving Forward – Efforts Undertaken and Needed Research and Regulation

The fact our industry has had recalls should not be viewed as an indication of complacency. Research is the key to understanding the following scientific questions that need to be answered: where does this E.coli O157:H7 microorganism survive in the natural environment, other than inside cattle, which is the primary host organism; how does E.coli O157:H7 survive in the natural environment; how is E.coli O157:H7 transferred from one location to another; and how do we kill or otherwise eradicate it, without destroying a highly perishable product? From a government support viewpoint, we believe there is severe under-funding in the area of applied research and science-based mitigation strategies. At times we are forced as an industry to react to anecdotal, or bench-top tests which cannot be replicated in real world field conditions.

You may ask: why is this so difficult a scientific problem to solve? The answer lies in how extremely rare it is to find the virulent E.coli O157:H7 on crops. For example, since the September 2006 spinach event, we instituted raw crop testing in the fields before harvesting, as well as testing of raw crops as they enter our processing plants and testing of finished product. Since September 2006, we have run approximately 4,000 of these tests to date, using state-of-the-art tests, and we have not yet had a single positive test for E.coli O157:H7.

We strongly feel that research is where the lion's share of any extra resources allocated by Congress should go. Please note that we don't have any objection to spending more federal dollars on inspections and audits. Adding more inspectors to regulatory agencies or giving them mandatory recall authority is a good thing. However, having more inspectors will not get to the root cause of how pathogens like E.coli O157:H7 survive and transfer from one location to another, and it will not address

the science needed to develop a true kill step or other prevention. It's the old question of where you can get the most bang for the buck. We'd recommend that Congress put most of that extra money into well thought-out research. This Subcommittee can play an invaluable role in taking testimony from public/private panels of the best scientific minds to figure out what specific research should be funded, and in what priority order. We at Dole would be happy to share our best thoughts on this topic, too.

I want to highlight for the Subcommittee some of the additional steps that have been taken since September of 2006, in both our company, and in the industry as a whole. The leafy greens industry in California has adopted the Leafy Greens Marketing Agreement (for purposes of this hearing this is referred to as the CA-LGMA). The CA-LGMA is an unprecedented commitment to food safety. Although it is in theory voluntary, the backbone of the program is California state inspectors in the fields of CA-LGMA signatories, auditing against a set of food safety metrics established by some of the sharpest scientific minds from industry, academia, and the public sector. For example, some of the specific areas the California state inspectors audit against include irrigation water tests, employee hygiene, harvesting equipment sanitation, buffer zones, soil amendments, wildlife intrusion, and previous land use. We take pride that, not only was our Vegetables business one of the companies instrumental in driving this state-wide initiative, but our Division President is currently the Vice-Chairman of the CA-LGMA Board. Arizona has a similar LGMA program under development which is almost identical to the California program. Our Vegetables' division President also sits on the Arizona governing board, which is tasked with developing and implementing a complete audit program.

Some would criticize this program as voluntary, but please understand that the only thing voluntary about it is whether to join or not. Once you're in, compliance and government inspection are mandatory. Ninety nine percent (99%) of the leafy greens handlers in California have signed onto the program – and some got encouraged into “volunteering” by big customers who would not buy their products unless they “volunteered.” So compliance and inspection are, for all intents and purposes,

mandatory for the whole industry in California. The CA-LGMA program, including state inspectors, is funded by assessments paid by signatory members.

Some would argue that federal or state regulations would have been the proper avenue, instead of the CA-LGMA program. If time had not been of the essence, that route might well have made sense. The industry felt, however, that it couldn't wait for government to act. As a testament to our industry commitment to food safety, private industry developed this field audit program, from absolutely nothing to having California state inspectors in our fields performing audits, in less than four months.

The fact that our industry did not have the luxury of waiting for government to act does not mean that we think the job is finished or that there is no role for government now. On the contrary, Dole supports national food safety standards for leafy greens, and the California and Arizona programs should be the starting point toward designing and implementing these standards. In the past, leafy greens food safety was considered a West Coast problem. However, as fuel costs continue to escalate, more Midwest and East Coast states, and Canada, are learning how to grow leafy greens in climates outside of California and Arizona.

I also would like to bring to your attention another important industry initiative -- the Center for Produce Safety, headquartered at the University of California, Davis. Trade groups, private companies, the University of California, and the California Department of Food and Agriculture, have funded the launch of this Center through grants. This Center is intended to be the clearing house for available produce food safety research, and to fund new scientific studies focused on strategies to mitigate risks. As discussed above, we very strongly believe that the federal government should play a key role in the research efforts.

As a company, Dole Fresh Vegetables has under taken some key initiatives aimed at providing a higher level of food safety. First is our implementation of a trace back system that is RFid

driven. RFID stands for Radio-Frequency-Identification. The process involves placing a unique tag on every bin of lettuce harvested in the field. Once a bin is filled, the tag is scanned using the global positioning system and attached so that there is a tracking record of where in the field a product originated and where it traveled after harvest. RFID tracking is not a fire wall for food safety. It does, however, provide real time field locations to within approximately 100 feet of where the product was harvested in the event trace back is needed. The inability to quickly trace back to a specific field location hampers the ability to determine the root cause of a problem and has been a major impediment to regulatory investigators, not because our industry is unwilling, but because the technology available until now was not adequate.

Although Dole has made significant investments in developing and applying the RFID technology to leafy greens, we have made this program available to anyone in the industry who wishes to use it, without any payment whatsoever to Dole. We believe that the members of our industry should compete with each other on quality and service, not on food safety.

As I mentioned a few moments ago, a second initiative we implemented is testing for pathogens in the field prior to harvest. Similar to the HACCP (Hazard Analysis of Critical Control Points) principles developed for NASA, we believe that testing needs to be a part of an overall risk reduction strategy and that prevention before the product leaves the field is a critical and proactive step. We are also testing produce as it enters our processing plants and as it leaves as finished product. To date we have completed approximately 4,000 of these tests for pathogens. As noted, thus far we have not had any positive test results for pathogens – at times it seems like we are looking for the proverbial “needle in a haystack.” With research help from government, a lot more testing should be done, by many more companies, and when the pathogens are found in this broader effort, science will have the data on the basis of which we can eradicate this problem.

Other Dole Fresh Vegetables risk reduction activities include a full time staff of quality assurance and food safety specialists. Their primary function as it relates to food safety is to develop and implement science-based risk reduction strategies, as well as seek out and evaluate best practices within our industry as well as other food industries.

All of Dole's fields in California are irrigated by water from deep wells or city water. We test the wells once a month during the growing season, when the water is used. We will not grow, harvest or purchase crops from fields that gets flooded with runoff from other fields, let alone from cattle pastures, nor from fields that are too close to a place where cattle have been.

In addition, we contract with third-party food safety companies to supplement our auditing process, in addition to the state inspectors that are part of the California leafy greens agreement. One third-party company provides us with independent oversight to our field operations, and another is used to provide independent oversight to our salad processing plants. All of our salad processing plants have full time quality assurance staffs on site anytime the plant is operating. All of our plants operate under a defined HACCP plan, and our fields operate under a defined, formal GAP (Good Agricultural Practices) plan, as well as the CA-LGMA audit program.

We are also working with outside vendors in developing even more reliable pathogen testing kits. Because of the amount of naturally occurring beneficial bacteria that is found on all produce, rapid test kits to detect pathogens that were developed in other industries, such as the meat or poultry industries, tend to give a high rate of false positives on lettuce.

Conclusion

The produce industry needs to continue to move forward with refining agricultural practices as science and technology advance. We need government support for more research activities in understanding how pathogens survive and migrate in the natural environment. We also need research

in developing microbial kill steps that will work on a perishable product. The amount of research needed is significant in both time and dollars. The first agenda item for any research program is to determine the right questions to ask. We believe that the federal agency best suited to address the important issues related to leafy greens is the USDA. The USDA already has a research station set up in Salinas, California, which is in the heart of the industry, and has extensive experience with various leafy greens products. USDA also has conducted some limited applied research on pathogens, but they have been limited in scope by funding.

A group of over seventy technical experts from academia, government regulatory and research, and the private sector, met in Washington, D.C., at a research symposium co-sponsored by Dole, this past September, focusing on understanding how pathogens survive and migrate in the natural environment. Everyone present agreed that there is a daunting task ahead of us, and we just do not yet have enough science-based answers to some very practical questions. But we have to start somewhere, and we have to remain committed to the research.

We respectfully ask this Subcommittee, and, more generally, the Energy and Commerce Committee, to do whatever it can within its power to influence significant funding of pathogen research for produce. Private companies such as Dole will continue to accelerate and champion, as fast as possible, new practices and technologies aimed at eliminating food safety risks. Produce is a living, breathing tissue that does not hold up to most conventional food safety practices that work in other industries. We cannot inspect our way out of food safety problems any more than we can test our way out of it. It will continue to take a concerted and significant effort in time and funding and regulation from both the government and private sector, to make our food system – already the safest in the world -- even safer. We heartily agree with this Subcommittee that we – all of us – can, in good conscience, do no less.